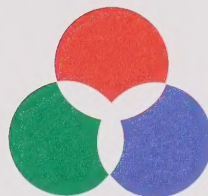


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Ontario
Science
Centre

Annual Report
2003-2004

CHALLENGE

Breathe in

INNOVATE!

Breathe out here →



RESULTS

Breathtaking!



2003-2004 was one tough year.

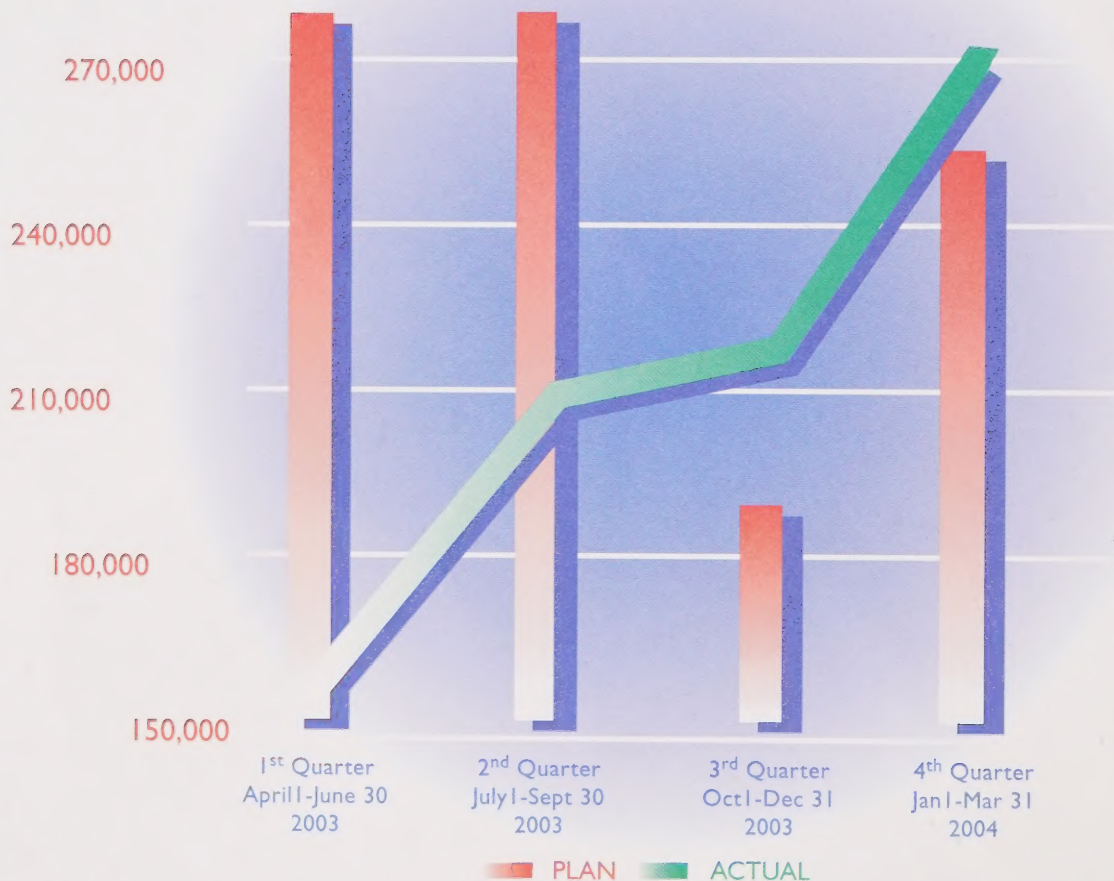
SARS. The blackout. Mad cow. Avian flu. West Nile. Terror alerts.
Border crossing nightmares. \$325 million loss in Toronto tourism.
Service industry layoffs. 42 percent hotel vacancy rate.


**But did this keep the Science Centre down?
Take a look...**



300,000

QUARTERLY ATTENDANCE





lesley lewis

Lesley Lewis, Director General and CEO

N. Lockhart

Nancy Lockhart, Chair of the Board of Trustees

One test of an organization's mettle is how it responds to challenges, particularly challenges beyond its control.

For the Ontario Science Centre, the 2003-2004 fiscal year began with an exciting schedule of exhibitions, films and programs developed to achieve attendance of one million visitors. Almost immediately the Ontario Science Centre, along with other Toronto businesses, was impacted by SARS and the resulting decline in both tourist travel and local attendance.

As a hands-on venue, with particular appeal to families with children, we were particularly affected. Then, in August, just as we were seeing signs of recovery, the power emergency closed the Science Centre for five days and the Shoppers Drug Mart® OMNIMAX® Theatre even longer.

As a result of these two events, attendance in the first half of the fiscal year (April 1 – September 30) was down 35 percent from Plan. Beginning in May strategies were designed and implemented to stimulate attendance and reduce operating costs. In four of the six months between October 2003 and March 2004, attendance was above Plan and by fiscal year-end, the total attendance was 843,886! While still down 15.6 percent from Plan, this was a remarkable recovery and along with internal spending constraints, resulted in the Science Centre ending the year in **better** financial shape than anticipated at the beginning of the year.

A combination of factors contributed to the in-year bounce-back:

- The opening of *KidSpark* on November 29
- Exceptionally strong attendance from schools and Members during the second half of the year

- \$500,000 in SARS recovery support from the Ministry of Culture's Cultural Tourism Marketing Fund
- The Science Centre Senior Management Team consistently responded creatively to challenges
- Staff members contributed with ideas and support
- The Board of Trustees provided support and confidence, particularly during the spring and summer, when management recommendations required difficult decisions

We continued to advance even while responding to these urgent operational challenges. As examples, *KidSpark's* success resulted in a decision to double its size to 1,394 square metres, a major increase in scope to *Agents of Change* while remaining within the original \$40-million budget envelope. All elements of *Agents of Change* made great progress during the year. We hosted one of the largest MarsFests on the planet on August 14, 2003, welcoming over 6,100 people. The Ontario Science Centre was selected to host the Fifth World Congress of Science Centres in 2008, the first time the Congress, held every three years, will occur in North America.

Annual reports provide opportunity to reflect on accomplishments of the previous year. Our major renewal initiative, *Agents of Change*, is designed to ignite creativity, encourage problem-solving and collaboration skills, and teach the importance of risk-taking in order to create and nurture a culture of innovation. Last year, the Ontario Science Centre applied these very skills and the results speak for themselves!

CHALLENGE

Attract visitors during 2003-2004.

INNOVATE!

Unique partnerships, multiple promotions, spectacular events.

RESULTS

Attendance rebound by year-end.

ATTENDANCE

- Reached more than 3 million visitors through on-site experiences, travelling exhibitions and Web site
- Attracted 843,886 on-site visitors, marking a dramatic recovery from -44.7 percent in Q1 to only 15.6 percent behind plan by year-end
- Collaborated with other major attractions and partners to stimulate tourist visitation
- Developed more than 25 major promotions and increased channels of distribution to drive attendance
- More than 65,500 visited over March Break
- Welcomed 10,475 visitors via our enhanced Community Access Program, representing an increase over previous year despite SARS
- Launched and completed Phase I of the Universal Accessibility and Barrier-Free Initiative
- IMAX® Coral Reef Adventure responsible for a 50 percent rate of recovery in OMNIMAX Theatre attendance by year-end
- 316,743 visitors included an IMAX film experience as part of their visit
- School group attendance exceeded target of 200,000
- Visitation from over 90 percent of school boards in Ontario
- 162 corporate events generated attendance of 29,271
- 4,633 Girl Guides, Scouts and families enjoyed a sleepover at the Science Centre
- 1,800 children and youth (aged 5-14 years) attended OSCamp and Leaders in Science camp
- 65 percent increase in 2-year Memberships
- Web site visitation up 36 percent to more than 980,000

REVENUE

- \$8,123,000 in admission-related site revenues, including school, camps and Membership revenues
- Total earned revenues of over \$13 million
- Science Centre earned 51 percent of its operating revenues; 49 percent contributed by Government
- 30 percent increase in Membership sales and revenue

"You see things; and you say 'Why?' But I dream things that never were; and I say 'Why not?'"
George Bernard Shaw

INTERNATIONAL PROJECTS

- \$3.2 million in sales revenues
- Exhibitions travelled to 12 international venues
- Premiered *Strange Matter* exhibition in partnership with Materials Research Society
- Launched three-year *Strange Matter* tour at Liberty Science Center, NJ
- Launched *Strange Matter* mini-exhibition tour at National Atomic Museum, NM
- *Jelly Belly presents CANDY UNWRAPPED* travelled to St. Louis Science Center, MO, Lawrence Hall of Science, Berkeley, CA and SciTrek in Atlanta, GA
- *A Question of Truth* opened at the Sci-Bono Science Museum, South Africa

AWARDS

- KidSpark won 2003 Best Exhibition Award from Canadian Association of Science Centres
- OSClub won Outstanding Achievement Award from Canadian Museums Association
- *Strange Matter* Web site won recognition which included the American Association of Museums' MUSE award

AGENTS OF CHANGE

- On schedule for completion in 2006
- KidSpark, first *Agents of Change* area, opened November 2003
- 85 percent (\$34,036,281) of \$40-million goal secured
- Imperial Oil Foundation and Ontario Early Years Challenge Fund provided support for programming and facilitation in KidSpark
- The Frum Foundation supported the new KidSpark Primary Workshop

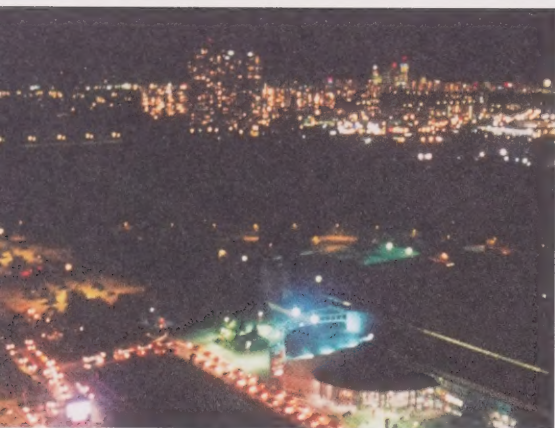
PROGRAMS AND FILMS IN THE OMNIMAX THEATRE

- K'NEXTECH/Feb 1-May 11
- Environment Month/April 5-May 4
- International Astronomy Week/May 5-11; StarParties/May 10, Feb 6; MarsFest/Aug 27
- Marshall McLuhan Multimedia Festival/May 15-18
- Aventis Biotech Challenge/May 20-22
- Top Speed Weekend/May 31-June 1
- Health Fest/June 7

- Roots & Shoots Garden Planting/June 21; Animals in Winter/Jan 24; Signs of Spring/Mar 6
- Indonesian Kite and Shadow Puppet Festival/Sept 20-21
- Say Hello to ASIMO Honda Robot Shows/Oct 11-12; Eastern Canadian Robot Games/Nov 15-16; FIRST Canadian Competition Kickoff/Jan 10; OCAD Sumo Robot Challenge/Mar 27
- Fall Colours Nature Walk and Colourful Chemistry/Oct 25
- 100th Anniversary of Powered Flight, featuring IMAX film *On The Wing*/Dec 4-7
- Dream Machines: The Emetts/Dec 20-Jan 4
- What's Cool about Cold, part of WinterCity/Jan 31-Feb 1; Feb 7-8
- Bayer Family Health Fair/Feb 7-8
- National Engineering Week K'NEX Challenge/Feb 28-29; March 6-7
- IMAX films *Human Body*, *Space Station*, *Shackleton's Antarctic Adventure*, *Top Speed* and *Coral Reef Adventure* at Shoppers Drug Mart OMNIMAX Theatre

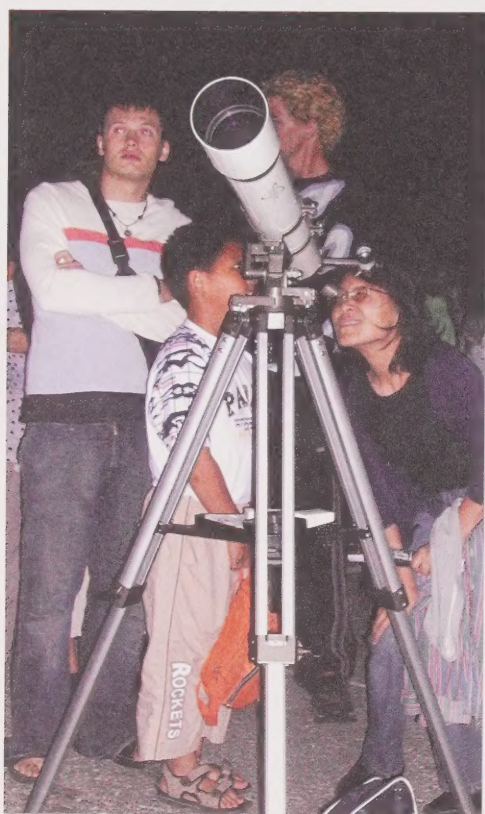
ANNUAL CORPORATE AND GOVERNMENT PROJECT SUPPORT

- Over \$2.1 million in annual support from corporate sponsorships, memberships, donations and government project funding
- New sponsors and donors: AT&T Foundation supported OSClub; Shell Canada sponsored IMAX *Coral Reef Adventure*; The Pepsi Bottling Group became Science Centre's Official Soft Drink Supplier
- Returning sponsor The Toronto Star supported *Cosmic Questions: Our Place in Space and Time*
- Ontario Power Generation returned as March Break sponsor
- Alcan Inc. sponsored Science School for seventh consecutive year
- Bayer Inc. sponsored Family Health Fair for fifth year
- Hydro One Networks Inc. major supporter of School Programs for second year
- \$500,000 in SARS recovery support from Cultural Tourism Marketing Fund
- \$450,000 in marketing support for *Strange Matter* from Ontario Cultural Attractions Fund



Ontario Science Centre Science School student Kristin Van Dieppen won a \$1,500 Scholarship from the Canadian Merit Scholarship Foundation in March 2004 for her work in the Gene Researcher for a Week program at Toronto's Mount Sinai Hospital.

In October 2003, renowned ocean explorers and cinematographers Michele and Howard Hall attended the Shoppers Drug Mart OMNIMAX Theatre's sold-out preview screenings of *Coral Reef Adventure* sponsored by Shell Canada.



The Science Centre's parking lot became the venue for one of the largest Star Parties the Milky Way has ever seen! On August 27, 2003, 6,100 star gazers attended MarsFest to witness the Red Planet's closest approach in 60,000 years.



"To invent you need a good imagination and a pile of junk."
Thomas Edison

Cosmic Questions: Our Place in Space and Time explored the themes of space, the universe, time and cosmic mysteries. A group of Toronto high school students formed a 'media league' in March 2004 to create amazing videos inspired by the exhibition.



March Break programs and events brought more than 65,500 visitors through our doors over nine days.



Over 2,800 members attended the November previews of KidSpark, the Science Centre's new learn-through-play space for young innovators.

"There are few things in life more enjoyable than satisfying one's curiosity."
Linus Pauling

HIGHLIGHTS 2003-2004



From June 2003 to January 2004, the *Strange Matter* exhibition explored the bizarre world of modern materials and encouraged visitors to investigate the science of everyday stuff.



In one October weekend, more than 5,000 Science Centre visitors witnessed ASIMO, the most advanced humanoid robot ever created.

CHALLENGE

Create a culture of innovation.

INNOVATE!

Develop new ways to produce new solutions.

RESULTS

New insights, new partnerships,
new experiences for visitors.

"We will be a catalyst that engages visitors as integral parts of the scientific process itself – as problem solvers and innovators prepared and able to respond to the challenges of the 21st century. In effect, the Science Centre will help grow the next generation of leaders."

– Lesley Lewis, Director General and CEO,
Ontario Science Centre

The Ontario Science Centre is transforming more than 30 percent of its public spaces in a \$40-million initiative called *Agents of Change*. Changes include renewing key exhibit spaces, creating new approaches to visitor experiences, deepening and extending our partnerships and making significant architectural improvements to our building.

Agents of Change will feature new groundbreaking experience areas with content that explores the theme Solving 21st Century Problems. Together, these *Agents of Change* experiences will create an "inspiration engine". They will expose young people to the attitudes, skills, networks and tools that enable them to become the drivers of a sustainable culture of innovation.



Grand Central

The inspirational start and end point of your visit, featuring large-scale artworks based on the elemental foundations of science: Earth, Air, Fire, Water. Opening 2006

KidSpark

Learn-through-play experiences help spark creativity, problem-solving abilities and early innovation skills in kids eight and under. Now open — expanding December 2004!



Challenge Zone
Design and build solutions to real-world problems. Opening 2006



Media Studios

Discover what happens when the boundaries between music, fashion, art, technology and science start to blur. Opening 2006

Material World
Experiment with the stuff of life in new and innovative ways. Opening 2006



Hot Zone

Explore current science and emerging technology, presented in unique and unexpected ways. Opening early 2005

The Weston Family Innovation Centre

Citizen Science
Get involved in real research with professional scientists. Your data can make a difference! Opening 2006

Youth Exchange

Where great young minds meet – a space for teens to express themselves and trade ideas. Opening 2006

Exploration Plaza
Take your Ontario Science Centre visit beyond the building with a compelling collection of outdoor experiences. Opening 2006

"It is not the strongest of the species that survive, not the most intelligent, but the one most responsive to change."
Charles Darwin

More than \$34 million has been raised by the Agents of Change Campaign Committee, bringing us to 85 percent of the \$40-million goal. We received generous new commitments from RBC Foundation, TD Bank Financial Group, Procter & Gamble Inc., CIBC, Bell Canada and Sony of Canada Ltd. and we continue to work with lead partners The W. Garfield Weston Foundation and the Government of Ontario, as well as our Knowledge Partner DuPont Canada.

"The W. Garfield Weston Foundation is pleased to support the Ontario Science Centre's groundbreaking plan to bring innovation to the forefront of young Canadians. The Weston Family is delighted to know that its contribution will make a lasting impact through the creation of The Weston Family Innovation Centre and the popular new KidSpark area, resulting in a significant transformation of the visitor experience. We look forward to working with the Ontario Science Centre to engage and inspire a new generation of Canadian innovators."

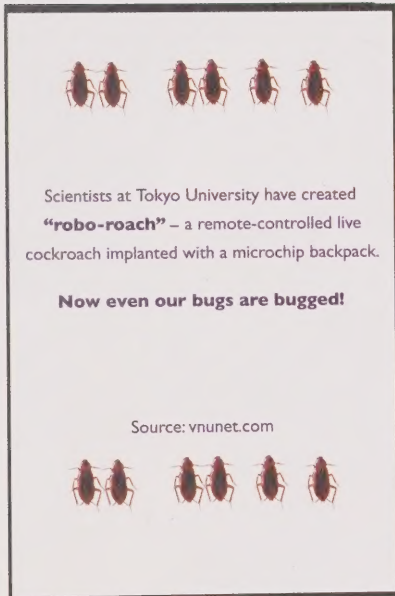
—W. Galen Weston, President,
The W. Garfield Weston Foundation

THE AGENTS OF CHANGE INITIATIVE

innovate



Lesley Lewis, Jack Diamond and Gary McCluskie of world-renowned Diamond & Schmitt Architects Inc. with a model of the Hot Zone, part of The Weston Family Innovation Centre.



In a pilot for the Hot Zone, a Sony plasma screen displays the latest science and technology news.

We held more than 50 'RIGS' (Rapid Idea Generation Sessions) with staff members to generate new Agents of Change experiences. Researcher/programmer Colin Harry models an interactive sensor coat that he created for the future Agents of Change area, Media Studios.



Teams of Science School students were challenged to design and build practical solutions to real-world problems in the Challenge Zone.

CHALLENGE

Unlock the scientist in kids eight and under.

INNOVATE!

Design a learn-through-play space where kids and caregivers create experiences together.

RESULTS

KidSpark is such a success we have to double its size.



KidSpark is a stimulating learn-through-play space dedicated to the process of discovery and experimentation. Children and caregivers are encouraged to follow their own line of thought, ask questions and seek solutions to develop the skills and attitudes that lead to innovation.



KidSpark boosted Member attendance by 67 percent.

“I think of KidSpark, and the rest of the creative elements of Agents of Change, as a kind of “innovation incubator”. Every DuPont scientist had a Eureka moment in their childhood – an epiphany of sorts that set in motion the chain of events that led them to a life in science and discovery. Well, 20 years from now, I’m confident that some of the young and up-and-coming scientists of the day will trace their Eureka moments back to KidSpark and the Science Centre. And nothing will be more gratifying for us.”

– Douglas Muzyka, President and CEO, DuPont Canada and Vice President and General Manager of DuPont Nutrition and Health

“As an educator guiding children, sparking their curiosity and challenging their minds is always a rewarding ideal. At the Ontario Science Centre I was able to accomplish just that. It was very rewarding to know that children were amazed by the capabilities I helped bring out in them. KidSpark has given me the opportunity to spark the curiosity in myself.”

– Fotini Fokidis, ECE Intern, Ryerson University

“Child’s play has never been more fun.”

– Toronto Sun, November 27, 2003

“Double thumbs up for KidSpark.”

– Toronto Star, November 30, 2003

“The best Christmas present.”

– Globe and Mail, December 6, 2003

KidSpark received the award for Best Exhibition for 2003 from the Canadian Association of Science Centres (CASC).



KidSpark

at the
Ontario Science Centre



KidSpark is such an overwhelming success, winning rave reviews from visitors and media, that plans are underway to more than double its size by December 2004.

KidSpark opened in November 2003 as the first *Agents of Change* experience area. More than 30 exhibits of open-ended, inquiry-based experiences foster creativity, problem-solving abilities and early innovation skills in children aged eight and under.



"Touch a scientist and you touch a child."

Ray Bradbury

Over 100 guests including Madeleine Meilleur, Minister of Culture, with grade one students from Grenoble Public School (front row) helped launch KidSpark at an event on November 24, 2003. Back row (left to right): Douglas Muzyka, President and CEO, DuPont Canada and VP and GM of DuPont Nutrition and Health; David Caplan, Minister of Public Infrastructure Renewal; W. Galen Weston, President of The W. Garfield Weston Foundation; Nancy Lockhart, Chair, Board of Trustees, Ontario Science Centre; Miriam Burnett, Chairman, The W. Garfield Weston Foundation; Ron Zelonka, VP, Technology and Innovation, DuPont Canada (behind Minister Meilleur); Lesley Lewis, Director General and CEO, Ontario Science Centre.

CHALLENGE

Spark the next generation of materials scientists.

INNOVATE!

Make strange matter familiar and explore the strangeness of familiar stuff.

RESULTS

Cool exhibits, an award-winning Web site and supportive partnerships made a little-known, leading-edge science fun and accessible.



The Materials Research Society (MRS), a US-based professional association of materials scientists, needed to turn youth on to their work. They asked the Ontario Science Centre to create a travelling exhibition and Web site on materials science that proved that the stuff of everyday life could be amazingly cool.

"The problems that exist in the world today cannot be solved by the level of thinking that created them."

Albert Einstein



Visitors explored the surprising and unusual micro-structure of ferrofluid using rare-earth magnets.

The *Strange Matter* Web site took the exhibition experience to a virtual realm. More than 164,000 visited the award-winning site, learning how to zoom in on, transform, crush and improve stuff.

The Web site won rave reviews and awards including: the American Association of Museums' 2004 Bronze MUSE award; accolades from the American Association for the Advancement of Science; and recognition from Yahoo!igans, an online guide for children.



"The exhibit delves into materials science, explaining how everyday stuff like computer chips and tempered glass is made, and showcasing some of the more bizarre materials scientists have concocted."

— National Post, June 28, 2003

Strange MATTER



Visitors could make magnetic ferrofluid “dance”, watch a dramatic column of foam reach for the ceiling, try to smash heat-tempered glass with a bowling ball and zoom from the macro- to the nano-scale to find out how scientists “feel atoms”.

“Discovery consists of looking at the same thing as everybody else and seeing something different.”
Albert Szent-Gyorgyi



Strange Matter is now travelling to various museums and science centres throughout North America. While on display at New Jersey’s Liberty Science Center in January 2004, *Strange Matter* was credited for a 129 percent attendance increase over the previous year.

“Working with the Ontario Science Centre has been a good experience for the Materials Research Society. The Science Centre is a very professional organization that has adhered very well to fiscal and delivery goals. Their personnel are very knowledgeable and friendly and the travelling exhibit *Strange Matter* that they built for MRS is proving to be an overwhelming success.”

– Michael C. Driver Ph.D., Director of Information Services,
Materials Research Society

CHALLENGE

*Attract sponsors and donors to become
Agents of Change.*

INNOVATE!

Develop sponsorships into creative partnerships.

RESULTS

*A stellar team of supporters who will help
the Ontario Science Centre become
an "inspiration engine".*

"Man's mind stretched
to a new idea never
goes back to its
original dimensions."
Oliver Wendell Holmes

AGENTS OF CHANGE DONORS AND PARTNERS

*The following donors and partners are enabling the Agents of Change transformation.
Their commitment to this project is a testament to their belief in the future of Canada's youth.
We are grateful for their commitment to the Ontario Science Centre.*

\$15,000,000

The W. Garfield Weston Foundation
Government of Ontario

\$1,000,000 and above

DuPont Canada

\$100,000 to \$999,999

Ontario Early Years Challenge Fund
Imperial Oil Foundation
TD Bank Financial Group
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The Frum Foundation
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CIBC

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Roy Skelton

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Marilyn Linton
The Troop Family
Paisley/Miller Family
Jeff Pocock
And two donors who wish
to remain anonymous

MAJOR ANNUAL SPONSORS AND DONORS

The valuable support of our sponsors and donors is vital to the Ontario Science Centre. Their contributions and expertise help us meet our commitments to our visitors. The Centre gratefully acknowledges the generosity of its 2003-2004 corporate sponsors and donors.

Cultural Tourism Marketing Fund
Marketing Support for SARS Recovery

Ontario Cultural Attractions Fund
Strange Matter

Jelly Belly Candy Company
Jelly Belly presents CANDY UNWRAPPED
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and *K'NEXTECH Sponsor*

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Family Health Fair Sponsor

MD Robotics
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Amgen Inc.
Education Programs Donor

Coca-Cola Bottling Company
Exclusive Soft Drink Supplier
April 2003 – February 2004

Ontario Power Generation Inc.
March Break Sponsor

Mill Creek Seed Co.
Bird Seed and Feeders Supplier

RBC Foundation
Community Access Donor

Professional Engineers Ontario
The Living Earth Hall Sponsor

The generous support of the following individuals contributed to our new exhibits and programs, and helped keep the Science Centre accessible to all.

CONTINUING FRIENDS

\$5,000 and above

Mr. Robert L. Ehrenfeld
Stanley Todorow Estate

ANNUAL INDIVIDUAL DONORS

\$1,000 and above

Bryce and Nicki Douglas
Dr. Robert Miller
The O'Brien Family
Nancy Lockhart and Murray Frum

\$250 – \$999

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Cassidy, Andie and Dax Miller
And one donor who wishes
to remain anonymous

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 And seven donors who wish
 to remain anonymous

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 The Young Family •
 And seven donors who wish
 to remain anonymous

• Members

• Founding KidSpark Members

ONTARIO SCIENCE CENTRE BOARD OF TRUSTEES AS AT MARCH 31, 2004

NAME	DATE APPOINTED	TERM EXPIRY DATE
Chair, Nancy Lockhart	January 30, 1998	January 29, 2006
Vice-Chair, Roy Graydon	May 21, 2003	December 29, 2005
Nancy Birnbaum	April 29, 1999	April 28, 2005
Robert John Chant	June 13, 2001	June 12, 2004
Mark Cohon	August 21, 2003	August 20, 2006
Julie DiLorenzo	September 9, 2002	September 8, 2005
Rosemary Hall	April 29, 1999	April 28, 2005
Arthur Konviser	May 14, 1997	May 13, 2006
Marilyn Linton	March 5, 2003	March 4, 2006
Robert Miller	July 31, 2002	July 30, 2005
Robert J. Macdonald	April 9, 2003	April 8, 2006
Terry Mosey	June 13, 2001	June 12, 2004
Margaret Mulligan	December 30, 1999	March 4, 2006
Barbara Murck	June 17, 1998	June 15, 2004
Gail O'Brien	September 9, 2002	September 8, 2005
Jeff Pocock	June 10, 1998	June 26, 2004
Gordon Stromberg	July 31, 2001	July 30, 2004
Sam Zuk	July 31, 2002	July 30, 2005

The Centennial Centre of Science and Technology

Financial Statements
For the Year Ended March 31, 2004



Auditor's Report

To the Board of Trustees of the Centennial Centre of Science and Technology and to the Minister of Culture

I have audited the balance sheet of The Centennial Centre of Science and Technology as at March 31, 2004 and the statements of operations, changes in equity, and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Gary R. Peall, CA
Acting Assistant Provincial Auditor

Toronto, Ontario
June 18, 2004

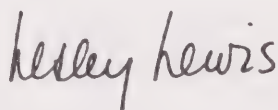
Management's Responsibility For Financial Information

Management and the Board of Trustees of the Ontario Science Centre are responsible for the financial statements and all other information presented in the Annual Report. The financial statements have been prepared by Management in accordance with the Canadian generally accepted accounting principles, and, where appropriate, include amounts based on Management's best estimates and judgments.

The Ontario Science Centre is dedicated to the highest standards of integrity in its business. To safeguard assets, the Centre has a sound set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information.

The Board of Trustees meets quarterly to oversee the financial activities of the Centre, including an annual review of the financial statements and the Provincial Auditor's report.

The financial statements have been examined by the Provincial Auditor. The Provincial Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the Auditor's examination and opinion.



Lesley Lewis
Director General
and CEO



Grant Troop
Director
Business Planning
and Operations

June 18, 2004

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Balance Sheet

As at March 31, 2004

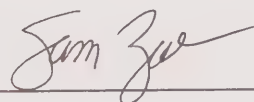
	2004 (\$ 000)	2003 (\$ 000)
ASSETS		
Current		
Cash and short-term investments	13,277	8,836
Accounts receivable	680	728
Prepaid expenses	193	601
Inventory of general stores and small tools	108	124
	<u>14,258</u>	<u>10,289</u>
Capital Assets (Note 4)	<u>15,778</u>	<u>15,201</u>
	<u>30,036</u>	<u>25,490</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	1,806	1,531
Deferred revenue	1,498	2,973
Due to the Province of Ontario	2,188	2,464
Loans Payable [Note 9(b) and (c)]	417	417
	<u>5,909</u>	<u>7,385</u>
Long-Term Liabilities		
Loan Payable to Province of Ontario [Note 9(a)]	5,300	5,300
Loan Payable to Ontario Financing Authority [Note 9(b)]	250	500
Loan Payable [Note 9(c)]	164	331
	<u>5,714</u>	<u>6,131</u>
Deferred Capital Contributions (Note 5)	10,031	7,765
Unspent Deferred Capital Contributions (Note 5)	5,015	494
	<u>15,046</u>	<u>8,259</u>
Equity		
Invested in Capital Assets (Note 6)	5,747	7,436
Deficit (Note 3)	(2,380)	(4,126)
	<u>3,367</u>	<u>3,310</u>
Special Purpose Fund – Fund Balance (Note 3)	<u>—</u>	<u>405</u>
	<u>30,036</u>	<u>25,490</u>

See accompanying notes to financial statements.

Approved on behalf of the Centre:



Trustee



Trustee

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Statement of Operations

For the Year Ended March 31, 2004

	2004 (\$ 000)	2003 (\$ 000)
Revenue		
Province of Ontario		
Operating grant	12,621	12,639
Occupancy grant [Note 11(b)]	3,968	3,968
Other grants	288	392
Corporate Donations – <i>Agents of Change</i> Project (Note 12)	763	294
General Admission and Parking Fees	3,471	3,558
Revenue from Ancillary Operations (Schedule 1)	9,596	8,075
	<u>30,707</u>	<u>28,926</u>
Expenses		
General Operations		
Exhibits and Programs	1,165	1,362
Marketing and Advertising	1,884	1,407
Visitor Services	2,754	2,640
Facility Operations	4,277	3,954
Program Management	4,179	3,066
Administration	2,226	2,271
Retroactive Cost of Living Salary Adjustments	—	782
<i>Agents of Change</i> Project (Note 12)	763	294
Occupancy Costs [Note 11(b)]	4,127	4,137
Expenses from Ancillary Operations (Schedule 1)	8,040	6,679
	<u>29,415</u>	<u>26,592</u>
Net income before amortization	<u>1,292</u>	<u>2,334</u>
Amortization of Deferred Capital Contribution (Note 5)	1,019	963
Amortization Expense	(2,659)	(2,460)
	<u>(1,640)</u>	<u>(1,497)</u>
Net (loss)/income for the year	<u>(348)</u>	<u>837</u>

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Statement of Changes in Equity For the Year Ended March 31, 2004

	2004 (\$ 000)		2003 (\$ 000)
	Equity Invested in Capital Assets	Deficit from Operations	Total
Balance, beginning of year	7,436	(4,126)	3,310
Transfer from Special Purpose Fund (Note 3)	—	405	405
Investment in capital assets	(49)	49	—
Net (loss)/income for the year	(1,640)	1,292	(348)
Balance, end of year	5,747	(2,380)	3,367

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Statement of Cash Flows For the Year Ended March 31, 2004

	2004 (\$ 000)	2003 (\$ 000)
Cash and short-term investments, beginning of year	8,836	4,201
Cash Flows from Operating Activities		
Net (loss)/income for the year	(348)	837
Adjustments for items not requiring an outlay of cash		
• Amortization of capital assets	2,659	2,460
• Amortization of deferred capital contribution	(1,019)	(963)
	1,292	2,334
Net change in non-cash working capital	(1,004)	1,667
Net cash generated through operating activities	288	4,001
Cash Flow from Investing and Financing Activities		
Capital Assets acquisitions	(3,236)	(1,323)
Net (decrease)/increase in long-term liabilities	(417)	334
Deferred contributions – <i>Agents of Change</i>	5,460	1,623
Deferred contributions – other capital projects	2,346	—
Net cash generated from investing and financing activities	4,153	634
Cash and short-term investments, end of year	13,277	8,836

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Schedule of Revenue and Expenses from Ancillary Operations
For the Year Ended March 31, 2004

SCHEDULE I

	2004 (\$ 000)			2003 (\$ 000)		
	Revenue	Expenses	Net	Revenue	Expenses	Net
School Admissions/Programs	1,343	1,600	(257)	1,099	1,140	(41)
Camps	678	604	74	606	582	24
Facility Rentals	262	251	11	385	239	146
Omnimax	1,606	1,792	(186)	1,677	1,923	(246)
International Sales and Rentals	3,177	2,789	388	2,109	1,639	470
Sponsorship/Donations	584	426	158	632	391	241
Memberships	1,025	468	557	754	373	381
Concessions	367	17	350	476	—	476
Interest	481	26	455	280	12	268
Other	73	67	6	57	80	(23)
Retroactive Cost of Living Salary Adjustments	—	—	—	—	300	(300)
TOTALS	9,596	8,040	1,556	8,075	6,679	1,396

See accompanying notes to financial statements.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Notes to Financial Statements

March 31, 2004

1. NATURE OF THE BUSINESS

The Centennial Centre of Science and Technology, commonly known as the Ontario Science Centre, was established under The Centennial Centre of Science and Technology Act. The Centre's mission is 'To delight, inform and challenge visitors through engaging and thought-provoking experiences in science and technology'. The general operations of the Centre are supported by operating grants from the Province, by admission fees and by other revenues earned through ancillary business operations. Revenues and expenses related to ancillary business operations are reported on Schedule I of the Financial Statements. As an agency of the Province of Ontario, the Centre is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Centre have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Inventory

Inventory is valued at the lower of cost or replacement cost.

(c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Omnimax Theatre Leasehold Improvements	20 years
Leasehold Improvements	10 years
Exhibits	10 years
Exhibits – Rentals	4 or 5 years
Furniture, Fixtures and Equipment	5 years
Computer Equipment	3 years

The land on which the Centre is located is leased from the City of Toronto for \$1 per annum on a 99-year lease which commenced July 1, 1965. The Ontario Realty Corporation owns the buildings which house the Centre. For details of occupancy costs see note 11(b).

(d) Pledges

Pledges to donate funds for Operations are included in income when received.

(e) Revenue Recognition

Revenue on exhibits manufactured for sale is recognized on a percentage of completion basis.

(f) Deferred Revenue

Deferred revenue is comprised mainly of deposits for future exhibit rentals.

(g) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures for the period. Actual amounts could differ from these estimates.

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Notes to Financial Statements

March 31, 2004

3. TRANSFER OF SPECIAL PURPOSE FUND TO EQUITY

During the current fiscal year, the Centre's Board of Trustees approved the transfer of the Special Purpose Fund balance of \$405,000 to reduce the Centre's Deficit from Operations as there are no longer any restrictions on the use of these funds.

4. CAPITAL ASSETS

Capital assets consists of the following:

	2004 (\$ 000)			2003 (\$ 000)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Exhibits	8,654	4,909	3,745	2,034
Exhibits – Rentals	3,823	1,995	1,828	2,618
Omnimax Theatre Leasehold Improvements	14,432	5,814	8,618	9,464
Leasehold Improvements	4,686	3,170	1,516	1,037
Furniture, Fixtures and Equipment	290	219	71	48
	<u>31,885</u>	<u>16,107</u>	<u>15,778</u>	<u>15,201</u>

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the amount of donations and government grants received to acquire capital assets but not yet recognized as revenue. Revenue will be recognized over the same period as the expected life of the capital assets to which they relate, in order to properly match revenues with costs.

The changes in the deferred capital contributions balance are as follows:

	2004 (\$ 000)	2003 (\$ 000)
Balance, beginning of year	8,259	7,599
Net additions/transfers during year	7,806	1,623
Amortization of deferred capital contributions	(1,019)	(963)
	<u>15,046</u>	<u>8,259</u>

The ending balance of deferred capital contribution consists of the following:

	2004 (\$ 000)	2003 (\$ 000)
Agents of Change Project	6,957	1,623
Omnimax	5,444	5,898
Health and Safety Initiatives	2,252	—
Leasehold Improvements	393	738
	<u>15,046</u>	<u>8,259</u>

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Notes to Financial Statements

March 31, 2004

6. EQUITY INVESTED IN CAPITAL ASSETS

Equity invested in capital assets represents the following:

	2004 (\$ 000)	2003 (\$ 000)
Capital assets, net	15,778	15,201
Less amount financed by deferred capital contributions	(10,031)	(7,765)
	<u>5,747</u>	<u>7,436</u>

7. PROPERTY MAINTENANCE AND REPAIRS

Certain maintenance and repair expenses of the Centre are absorbed by the Province of Ontario and are not included in the Statement of Operations.

8. PENSION PLAN

The Centre provides pension benefits for substantially all its permanent employees through participation in the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are multiemployer defined benefit plans established by the Province of Ontario. These plans are accounted for as defined contribution pension plans as the Centre has insufficient information to apply defined benefit plan accounting. The contributions noted below represent the Centre's expenses for the plans during the year.

The Centre's contributions related to the pension plans for the year were \$934,389 (2003 – \$787,625). These contributions have been included in salaries and employee benefits disclosed in Note 10.

In addition, the cost of post-retirement non-pension benefits were paid by Management Board Secretariat and are not included in the Statement of Operations.

9. LOANS PAYABLE

(a) Loan from Province of Ontario

The Province made an interest-free repayable loan of \$5,300,000 to the Centre in 1996/97 to construct the Omnimax Theatre. The Centre shall repay this loan by annual payments in amounts equal to 50% of the average annual profits received by the Centre from the Omnimax Theatre during the previous two fiscal years, if any. Such annual payments shall continue until the principal of the loan is repaid.

(b) Loan from the Ontario Financing Authority

In 2002/03, the Ontario Financing Authority (OFA) lent the Centre \$1,000,000, at short-term interest rates calculated by the OFA and payable monthly. The Centre had repaid \$500,000 of the loan balance by March 31, 2004. The remaining balance is to be repaid in \$250,000 installments on each of March 31, 2005 and 2006.

(c) Food Service Agreement

The Centre entered into a 10-year agreement with a food services company to provide food services until May 31, 2006. The company contributed approximately \$1.5 million to the Centre for the construction of new

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Notes to Financial Statements

March 31, 2004

9. LOANS PAYABLE (CONTINUED)

restaurants and other food service related facilities, as stipulated under the terms of the agreement. The annual net profit from the food and beverage operations managed by the company are to be shared between the company and the Centre in accordance with a formula in the agreement. The agreement specifies certain fixed payments to the company as follows: (1) an annual management fee, starting at \$130,000 in 1996/97, reduced by \$10,000 for each of the following nine years; and (2) a refund of the \$1.5 million contribution without interest in nine equal installments, which started in 1997/98.

10. BREAKDOWN OF EXPENSES

Expenses are reported in the Statement of Operations on a functional basis. Total expenses by type are as follows:

	2004 (\$ 000)	2003 (\$ 000)
Salaries and Benefits	17,058	15,561
Other Direct Operating Expenses	12,357	11,031
	<u>29,415</u>	<u>26,592</u>

11. COMMITMENTS AND CONTINGENCIES

(a) IMAX Dome Projection System Maintenance Agreement

The Centre has a ten-year agreement expiring in December 2006, with an automatic renewal for one further 10-year term, for leasing and servicing of an Imax Dome Projection System. The agreement commits the Centre to: (1) monthly rental payments to be calculated in accordance with a formula based on admission revenue; and (2) an annual maintenance fee of \$66,000 (adjusted to reflect changes in the Consumer Price Index for Toronto).

(b) Occupancy Cost

Effective April 1, 1998, the Ontario Realty Corporation began charging the Centre an accommodation fee for occupying its facilities. The fee covers rent, taxes, maintenance and certain operating costs. The lease expired on March 31, 2003 and it is being renewed on a year-to-year basis until a new agreement is reached between the Centre and the Ontario Realty Corporation. The minimum lease payment for the coming fiscal year is \$3,964,500. The Centre receives a Ministry grant each year to fund the majority of this expenditure.

The Centre is also negotiating a new lease agreement with the City of Toronto for the Centre's parking lot.

(c) Equipment Leases

The Centre leases some of its equipment on an operating lease basis. Total lease commitments for the next three years are as follows:

	(\$ 000)
2004/05	246
2005/06	149
2006/07	55
	<u>450</u>

THE CENTENNIAL CENTRE OF SCIENCE AND TECHNOLOGY

Notes to Financial Statements

March 31, 2004

12. PLEDGES FOR AGENTS OF CHANGE PROJECT

The Centre has embarked on a \$40-million capital project called *Agents of Change*. The project will focus on innovation and will renew about one quarter of the Centre's public space, including the creation of seven new Experience Areas. Funding for the project is twofold—private sector and government funding. As at March 31, 2004, over \$8 million had been received. Pledges for the next four years are as follows:

	(\$ 000)
2004/05	8,647
2005/06	9,535
2006/07	6,438
2007/08	302
	<u>24,922</u>

13. COMPARATIVE FIGURES

The March 31, 2003 comparative figures have been reclassified where necessary to conform to the current year's presentation.

PUBLIC SECTOR DISCLOSURE ACT

This statement is provided under the Public Sector Salary Disclosure Act.

The following employees of the Ontario Science Centre were paid a salary of \$100,000 or more in 2003.

EMPLOYEE	POSITION	SALARY	TAXABLE BENEFITS
Bennett, Joann	Director, Business Development	\$112,907.60	\$203.31
Bowen, Julie	Project Leader, Experiences, AOC	\$100,483.45	\$176.40
Cohen, Susan	Deputy Director, Education	\$100,026.27	\$176.12
Gorecki, Bernard	Director, Marketing and Visitor Services	\$113,573.85	\$204.96
Lewis, Lesley	Director General and CEO	\$146,988.02	\$268.23
Martin, Jennifer	Director, Visitor Experience	\$116,747.91	\$204.96
McLaughlin, Hooley	Deputy Director, Visitor Experience	\$100,366.38	\$181.95
Troop, Grant	Director, Business Planning and Operations	\$110,703.61	\$200.94



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